Private participation in airport modernization

244. SHRI KALRAJ MISHRA: Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether Government have since reconsidered the question of modernization of international airports at Delhi, Mumbai, Bangalore etc. through private participation;

(b) if so, the terms for such private participation;

(c) if so, what decisions have been taken in this regard; and

(d) the steps taken and being taken for implementation thereof?

THE MINISTER OF STATE OF THE MINISTRY OF CIVIL AVIATION (SHRI PRAFUL PATEL): (a) The Government has decided to restructure and modernise Delhi and Mumbai airports by setting up two separate Joint Venture Companies and develop these airports through the Public Private Participation route. A greenfield airport at Bangalore is also planned through public-private partnership.

(b) Airports Authority of India (AAI) with Government of India Public Sector Undertakings will hold 26% equity. Of the remaining 74% equity to be held by a private investor, 25% equity will be held by Indian entities (Indian companies) and the foreign direct investment shall be capped at 49% of the equity in the Joint Venture Company.

(c) and (d) For Delhi and Mumbai airport, Financial Consultant has been appointed. Appointment of Global Technical Adviser, Legal Consultant and Accounting Tax Adviser have also been approved. It has also been decided that the employees of AAI at Delhi and Mumbai airports will be on mandatory deputation with the Joint Venture Company for a period of 3 years. The Joint Venture Company will be required to absorb a minimum of net 40% of the existing employees excluding those working in CNS/ATC and security services.

The Invitation to Register Expressions of Interest has been issued and the last date of receipt of Expressions of Interest is 20th July, 2004.